

Submission

to

Senate Employment, Workplace Relations and Education
References Committee

Inquiry into Commonwealth Funding for Schools

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The Secretary,
Senate Employment, Workplace Relations
and Education References Committee
Suite SG.52, Parliament House
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Dear Sir / Madam,

While the comments in this paper do not necessarily represent the official position of each organization I refer to, my comments are drawn from my experience in developing presentations to the former Minister for Education, the Hon. Dr. David Kemp and the former Minister for Schools, Vocational Education and Training, the Hon. Senator Chris Ellison in 1997 and early 1998 on behalf of Gippsland Grammar, Ballarat and Clarendon College, Ballarat Grammar, Goulburn Valley Grammar and The Hamilton and Alexandra College.

I also made presentations to the then Minister for Schools, Vocational Education and Training, the Hon. Senator Chris Ellison, on behalf of the above named Victorian schools as well as a further ten (10) schools located in regional areas throughout N.S.W., Tasmania, Western Australia and Queensland.

The evidence presented to both former Ministers – and agreed to by the Ministers and the Department of Education, Science and Training officers – clearly demonstrated that the old Educational Resources Index (ERI) measure for determining school funding so seriously disadvantaged schools in regional Australia that many of these schools were threatened with a serious modification of the services they offered or even closure on the basis of a lack of financial viability.

Each of the 15 schools included in our 1997 and 1998 submissions were in Category 3 under the old ERI model.

The serious flaw in the ERI model is that it does not take into account in any way a measure of the ability of the “market place” or “catchment area” from which a school draws its students to afford to pay the level of fees charged by a school.

Over the 17 years of operation of the ERI system the relative ability of different market areas to afford school fees changed greatly.

Particularly in the early 1990's the impact of "Rural Recession" in Australia clearly showed that the ERI mechanism allowed no flexibility for a school to adapt to such a situation.

Our research at that time showed that, overall, the incomes of families with dependant children aged 15 to 24 (ABS data taken from the 1996 Census) in **regional** areas were some 20% lower than families in metropolitan Melbourne. This statistic was further exaggerated when one compared regional areas to some of the wealthier statistical regions of Melbourne where average incomes were almost double those in regional Victoria.

The great value of the Socio-Economic Status (SES) model is that these anomalies are accommodated in the determination of funding as it is *student* based rather than *school* based.

Whatever measure of funding is chosen, Gippsland Grammar is vitally concerned that appropriate recognition is given in the funding determination to the vast differences between families in regional areas and metropolitan areas.

On the basis that the SES measure is *transparent, fair, unable to be artificially manipulated by a school and does not discriminate against private effort* (criteria established in the October 1997 Commonwealth Consultation Report on Schools Funding) Gippsland Grammar fully supports the maintenance of SES as the basis for determining school funding.

The history of Gippsland Grammar shows that had this school been forced to continue to operate with ERI Category 3 funding it would by now have been forced either to close altogether or perhaps close and sell our Junior School in order to provide some continuation of funding in order to keep the Senior School financially alive.

A similar situation was also confronted at Ballarat and Clarendon College.

In 1991 enrolments at Gippsland Grammar had peaked at 833 students.

In the ensuing years the ESSO Corporation relocated its senior management back to Melbourne and the area generally was severely hit by rural recession and drought.

The enrolments at Gippsland Grammar had dropped to 572 in 1998.

The school was indeed on the brink of financial collapse.

Following our aforementioned submissions to the Hon Dr. Kemp and Senator Ellison, and assistance from the Hon. Peter McGauran, MHR for Gippsland, and the Hon. Michael Ronaldson, then MHR for Ballarat, Gippsland Grammar was advised to join the Victorian Ecumenical System of Schools. This enabled the school to obtain a higher level of Government funding which in turn enabled the school to decrease school fees by 25% across the board.

Enrolment numbers have steadily climbed since that date and we now have just over 800 students enrolled and are able to operate on a financially sustainable basis.

The opportunity to decrease our level of fees and offset this with increased Government funding in order to make the school affordable to its market place and maintain an economically viable number of students in the school was simply not possible under the old ERI formula. Without such a move, however, I seriously doubt that this school would be here today let alone be financially viable.

Under the ERI mechanism the school would have had to decrease its fees and operate for a number of years in order to achieve a decrease in the ERI and then hope that this decrease was sufficient to allow the school to move into a higher funding category – an uncertain process that would have literally taken many years to achieve thus making it unattainable as the school would simply not have been able to financially support itself during this time.

There is absolutely no way Gippsland Grammar could support the Commonwealth Government even contemplating the return to the ERI as a fair and equitable measure of school funding. Any such move could literally destroy this school.

Clearly the Education System in Australia offers *choice* in education for Australian families.

Gippsland Grammar, along with no doubt all Independent Schools, supports this concept absolutely.

As well as simply providing *choice*, however, schools need to be able to provide choice at a cost to parents that is *affordable* by a sufficient number of families in the geographical region to support the number of students required in order to provide a financially viable school.

The SES method of funding schools seems to achieve this.

Gippsland Grammar has an SES now of 99 (previously 101) that approximately equates to funding at Level 10 under the old ERI method.

This is further proof that when funded at Level 3, Gippsland Grammar was forced to charge fees that its market simply could not afford to pay.

Gippsland Grammar also vehemently supports the right of *every* Australian child to receive at least some contribution from the Commonwealth and State Governments towards his or her education.

It seems to follow from the experience of this school that a measure related to the relative socio-economic status of the family provides an inherently transparent and equitable basis on which to allocate this funding.

After all, education is all about *children* – therefore funding that is related to families seems far more appropriate than a funding model that tries to distinguish the relative wealth of schools.

In summary, Gippsland Grammar would strongly support the maintenance of the SES model as the basis for determining school funding.

If, however, any change to this model were seriously contemplated our main concern would be that, whatever model is chosen, appropriate recognition be given to the circumstances of families in *regional Australia* as these differ vastly from circumstances of families in metropolitan areas.

Thank you for taking the time to read and consider this submission.

Yours sincerely,

Colin Price

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